

~~SECRET~~ - CONTROL

## CONDITIONS AT X-2 BUCHAREST

24/11/45

Note: The attached document was written\* by a member of the X-2 Bucharest Staff who had completed five months of service (October 1944 - March 1945) in that office.

The writer of the document (to whom we shall refer as "Source") was requested to prepare an objective account in order that a clearer picture of the Bucharest office might be gained. Source - Rumanian speaking, liaison with the Bucharest Secret Service, and having a broad knowledge of conditions and personalities - was on very friendly terms with the responsible Bucharest X-2 officers. Consequently he was particularly au courant with the situation he describes.

Unfortunately, because of hospitalization and his unexpected return to the United States, Source was only able to record a portion of his observations.

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CENTRAL INTELLIGENCE AGENCY  
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\* Source's text has not been altered except for occasional retouching of the English.

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I. X-2 Bucharest

A. Branch Chief

1. When the Chief of X-2 first arrived in Bucharest he attended many parties, and his gay and unconventional mood caused many persons to say unpleasant things about him. Gossip was also current about his informal behavior at certain parties.
2. Upon one occasion the Chief left a party in his socks and the maid ran to the car with his shoes. He was given to telling all sorts of fantastic stories which angered certain people for they thought that he was making light of them. As an example: at a large dinner party the X-2 Chief told the guests that he owned a talking dog in the United States which knew over two thousand words. One evening the hostess' dog entered the dining room and her daughter looked across the table at the Chief, remarking with sarcasm that her dog spoke only Greek. This was one of the numerous stories which made the rounds of Bucharest society at that time.
3. The X-2 Chief's cover was blown very soon after his arrival in Bucharest. This was partly due to the fact that whenever an agent was suggested for possible employment by OSS, members of the Mission, such as Col. R., would openly refer them to the Chief of X-2.

II. American Personnel

4. PRESS, Sylvia - Intelligence Analyst. Maintains several outside contacts. Has interrogated German internees and acted as translator at interviews of the Chief of Branch with Rumanian personalities. Is allowed access to Cable File.
5. BAILEY, Marcella - Steno-typist. Does only clerical work. Also handles Control intelligence and certain cables.
6. THAMES, Shelby D., Lt. (j.g.) - Administrative Officer. Supervises all filing of intelligence documents, signals, collects reports, supervises expedition of the pouch, directs personnel. In addition to these administrative tasks he is entrusted by the Chief of Branch with very confidential assignments. Thames, Seerb, and Lahovary once journeyed to the Transylvanian Alps, near Brasov, to procure a quantity of textiles. However, they encountered difficulty with the local authorities. Later the news spread that the Americans had taken over the textile factory in question.

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7. NEMETH, Peter N., T/5 - Assistant Administrator. In charge of carding system, reports log, and expedition of pouch.
8. POPA, John, Pfc. - Maintains liaison with the counter-intelligence branch of the Rumanian Secret Service and with the Russians. Also takes the photographs of the personnel employed by OSS for their identification cards. About 22 years of age. Described by Source as without X-2 knowledge and having no serious interest in the work. The Chief of X-2 has requested a commission for him.
9. LAMOVAY, Michael, Sgt. - Liaison with sources 200 and 201, and also "outside work" for the X-2 Branch Chief such as the obtaining of permits from the Rumanian government, of providing cover and protection for German agents in X-2 custody.
10. ARMOUR, Lt. - Learned to X-2 by the A.C.G.. Maintains liaison with the British Mission and contact with source 201. The Lt. struck Source as devoid of acquaintance with intelligence procedure. For example: he gave a Russian intelligence chart obtained from the Rumanian Secret Service to a Rumanian translator instead of an American for translation. Then with Chief X-2 he made a trip to Istanbul in March 1945 for the purpose of buying watches.

### III. Rumanian Personnel

11. These individuals were investigated before being employed by the Rumanian Secret Service, MB/201 and other agents.
12. HAHN, Irving - American citizen of Rumanian descent and Jewish faith. Born in Bronx, N.Y., 25 years ago. Has been living in Rumania about twelve years. Father died several years ago and his mother resides in Bucharest. In 1943 he married a girl whose first name is Cici, born in Tighina (Bessarabia) and of Russian descent. Lives with parents-in-law on Boulevard Carol 86.
13. Mrs. Hahn's brother is at present in Russia and news has been received from him several times through Russian officers. Her parents have many friends among the Russian soldiers and officers stationed in Bucharest, who visit their home very often.
14. Hahn is in charge of translating and analyzing the intelligence found by the Branch and the Rumanian authorities at some of the former German government offices in Bucharest. Has also interrogated for X-2 German internees. Salary: \$75 monthly.
15. Hahn approached X-2 Chief with proposal to import commodities from Turkey, and, on another occasion, with the proposal to salvage Jewish fortunes out of Rumania. Has gained the confidence of the Chief.

16. SCIERB, Abram - Rumanian citizen of Russian descent and Jewish faith. Former chief of a translation section in a Rumanian government office. He and his father own a small textile factory near Bucharest. Lives with parents at 28 Strada Gogu Cantacuzino, Bucharest.
17. Last September Scerb assisted OSS officers in raiding the offices of SCHENKER & CO. and he translated most of the documents found there. The reports of the Rumanian diplomatic officials found at Mihai ANTONESCU's home were also translated by him.
18. Salary: \$60 monthly. At the beginning he refused to accept remuneration.
19. HEILPERN, Vivian - Bulgarian born and educated at the American College, Sofia. Married to a Rumanian physician. She translates German documents as well as part of the reports issued by Rumanian authorities. Described by Source as an able worker and conscientious.
20. ARONOVICI, Serge - Did some carding for a period of time. Does not know German. Also assisted the Security Officer.
21. CZUCKERZ, Rene - About 20 years of age. Of Polish descent and Jewish faith. Was employed by X-2 for about two months. "Greener" by profession. Worked very conscientiously for X-2. At the present writing he is employed by the Bucharest radio station.
22. GAR, Mya-Lys - A 19 year old girl, who worked for the branch for about six weeks.
23. STEUERMANN, Rachela, Miss (alias "Shelly") - Had documents showing that previous to the war she had been employed by the Rumanian subsidiary of the VACUUM OIL CO.. Miss Steuermann was discharged some weeks later for suspicious conduct. For instance, she would make extra copies of practically all work produced by her, and received all sorts of mysterious telephone messages. Consequently X-2 arranged for her to be investigated and shadowed. It was found that Miss Steuermann had certain Russian contacts and security clearance was not given her. She is now openly employed at Russian Military HQ., Bucharest.
24. PAVELESCU, Cesar - Age 24, Rumanian citizen born in Jassy. Was connected with Frank Stevens through Agent 201 whose reports he translated into English. Worked in the X-2 office for a few weeks in October, then turned into agent to observe American Air Force personnel in hotels. Undisciplined and unreliable. Received \$35-\$40 monthly while with OSS.

25. HODOS, Marjorie, Mrs. - Hired by Chief of X-2 as secretary in September 1944. She was recommended by Mrs. Sylvia PLACCA, Secretary of the CO of the OSS Mission. Both these individuals are British born. Mrs. Hodos is married to a Rumanian and has resided in Rumania for approximately fifteen years. She has three children. (Mrs. Placca is probably agent AD/114.)
26. Mrs. Hodos has never handled current reports received by the Branch, her work consisting of the translation of a certain type of intelligence material found at the former German offices and in Mihai Antonescu's home. A few weeks ago she began to arrive at the office very early in the morning and to leave very late at night. In addition, she made more copies of her typewritten work than was required by the office. The X-2 Chief thereupon decided to deprive her of the office key, also making a list at that time of those persons who were entitled to open and close the office. Following this, he decided to discharge her, however she received employment from the Reports Office. Her work at present consists of the translation of material which is mostly unclassified. She does not know the German language.

Liaison Personnel

27. NEGROPONTES, Theodor, Lt. - Liaison between the Rumanian Secret Service and X-2. Spends most of his time in the X-2 office. Very inactive from standpoint of work, except for procurement of small items of office equipment, etc.. In November 1943 went by Rumanian plane with Chief of X-2 to Istanbul to visit friends there. Upon return in December, he attempted suicide due to an unsuccessful love affair.
28. MIHAI, Judge - Formerly employed by the unit as official liaison to the Rumanian Secret Service. Thoroughly unreliable and most of his "reports" were figments of his own imagination. Not paid by X-2 but by the Rumanian Secret Service. Useful for a brief period in bringing to X-2, and without the knowledge of the Russians, Germans captured in the Banat and Transylvania.
29. An investigation by the Branch through the Rumanian Secret Service revealed unfavorable information on Mihai. The Judge also spread the story in Bucharest that he was "counsellor to the chief of the American Secret Service in Rumania". A short time ago the Rumanian Secret Service recalled him and he was replaced by a new man.
30. GROVEANU, Lt. - Liaison with the Rumanian Air Staff and Rumanian Secret Service. Source describes him as a habitual liar and thoroughly unreliable.

31. UHXYELL, or UHXELL, Charles, N.C.O. - Born of a Swedish father and a Rumanian mother (nee de REINECK). Also liaison with the Rumanian Secret Service.

#### IV. X-2 Agents

32. There are approximately half a dozen agents employed by X-2 but only two or three of these are considered of value. In addition, four or five German agents work for X-2, receiving no pay but protection.
33. STEVENS, Frank - Former chief of the Rumanian SI Desk in Istanbul, last Fall worked for that same desk in Bucharest. His secretary, who later became Agent 200, submitted reports many of which were of X-2 nature. This led to the employment of 201 by X-2. Stevens has not been connected with the organization since the end of December. (However, he is being used as an agent.)
34. Agents 200 and 201 (AD/201 is Paul VALCEANU of the Rumanian Secret Service, AD/200 alias "Paul Glescu" was born in Cairo; his father is connected with BB in Beirut) received salaries of approximately \$40 each monthly and were given permission to rent a small office. Their operational expenses amount to approximately \$50-\$80 per month each. They submit ten to twenty reports daily, but most of these have not been confirmed by other sources. The two agents have also been used for security investigations of the personnel employed by OSS and A.C.C.. They also report on all matters relating to the Rumanian intelligence organizations.
35. MATI, Gregory - 40 year old Transylvanian of no particular training or profession. Of questionable value. Does shadowing and reports political information. Receives \$14 per month.
36. ROGOZ, Theodor - 23 years of age, airplane mechanic, receives \$14 per month. Under strict control would be a valuable man.

#### V. Early History of the X-2 Branch in Bucharest

37. When the British Military Mission first arrived in Bucharest it requisitioned the house on Strada Orlando 10 or 12. This house had until August 23, 1944 been occupied by the German Consulate General and the German Police Attache. The name of the Police Attache was RICHTER, and he in reality was the chief of the Sicherheitsdienst in Rumania. Source believes his first name was Gustav. The Police Attache, among other things, had the last word on the granting of German visas and the issuance of German passports, as the records found there proved.

38. The personnel of the German Consulate and of the Police Attache's office were forced to leave their offices in a great hurry on the day of the so-called "coup d'etat" and consequently left behind almost all their records.
39. The British found these records almost complete but they lacked the personnel necessary to process all this intelligence. The X-2 Chief consequently offered to take it from them and about four truckloads were conveyed to the new X-2 office on Strada Batiste 33.
40. The office was in no position to process all the intelligence because the office force was small at that time and most of those employed by X-2 branch had no knowledge of the German language.

#### VI. Notes on the Management of the X-2 Office

41. Security - The enforcement of security at the X-2 office proved to be extremely difficult. This was partly due to the fact that the Rumanian personnel had not been briefed before commencing to work for the Branch. The Rumanian civilians in question had never before worked in an office where security is of prime importance. Since no explanations had been made to them of the necessity of security measures, they began to resent certain of the regulations introduced later - for example, the one permitting only military personnel free access to the filing cabinet. They also were displeased by the rule introduced later that all papers had to be locked up each time they left the office.
42. Another error of omission was the initial failure to explain the classification system to the Rumanian employees. They did not understand what was meant by "classified documents", "confidential trash", etc., much less how to handle these properly.
43. One very serious violation of security is the lack of restriction of the use of the "secret" stamp. This is kept in an open cabinet with ordinary office supplies. What is worst of all is that any employee in the office can classify any document "secret" at his own free will.
44. Conduct of the Civilian Employees - The civilian staff gave the impression of being entirely ignorant of how a business office should be managed. This is not astonishing in view of the general non-efficiency of Rumanian offices.

45. Office hours were not respected. The employees never came to work on time, and when leaving the office during working hours, they would never indicate where they were going or how long they would be absent. The X-2 Chief decided about one month ago that a record should be kept of everyone's activities during office hours. This measure was enforced for a few weeks, but when the civilians observed that no one bothered to check the record, they ceased entering the required data.
46. The civilian staff failed to handle their work in an orderly manner. They would pass documents from one desk to another and would pile their papers in the safe in a very disorderly manner. They also placed personal items in the safe. Not all the blame was theirs, however, because the American personnel was also often haphazard in the filing of documents. It occurred very often that requests for information could not be answered because the proper file could not be located.
47. Finally, the Rumanian civilians attempted to capitalize upon their American connections in various ways. They would always try to secure transportation for trips of a personal nature, and were astonished when the Chief at last put a stop to this practice.
48. In addition, the Rumanians often donned American arm-bands even when they were not on duty, some of them even posing as "delegates of the American Mission."

#### VII. The SMIT Family - Contact of X-2 Chief

49. During last October the head of X-2 at Bucharest made the acquaintance of SMIT, a Dutchman, who has assisted him in his work, and who has managed to gain his confidence.
50. Smit is the Philips radio representative in Bucharest. He appears to have had considerable experience in the field of radio having worked many years for the Philips concern, which firm he has represented them in the United States. By nature, he appears clever and personable.
51. Smit was in Holland when the Germans invaded that country, and at that time he secured his appointment as Rumanian representative for Philips. In Rumania he built a radio factory and extensive repair shops. Source had heard rumors that Smit had been connected with some Allied intelligence service while the Germans were still in Rumania. At any rate, he seems to be persona grata with the present Dutch diplomatic representative in Bucharest.



52. During the Spring 1944 Allied air offensive over Rumania, Smit sent his wife and daughter (or daughters?) to Budapest.
53. The X-2 Bucharest Chief accepted Smit's invitation to live at his home. Through him the Chief has made numerous contacts. Among these is Major KAUFMAN of the Red Army.

VIII. Major KAUFMAN - a Russian Contact

54. Major Kaufman in civilian life was a chemical engineer and is ostensibly in the Tank Corps of the Russian Army. According to Source, however, there are indications that he is actually in the Russian Intelligence Service. This opinion was also expressed to Source by the Chief of X-2.
55. Major Kaufman met Aron SCERB (X-2 employee) some time ago in Brasov and attempted to gain information from him on X-2 activities, personnel, asking what the individual assignments were and who was employed by this branch in addition to those he had met at the Smit home.
56. About one month ago Smit succeeded in inducing Major Kaufman to go to Budapest, in order to bring his family from that city to Bucharest. Smit himself procured the automobile for Major Kaufman, but according to Source the vehicle belongs officially to the Russian officer.
57. For some time the Chief contemplated going into Budapest with a Russian officer and industrialist, apparently Kaufman and Smit.
58. In November 1944 SMIT, in the company of the Chief X-2, Lt. NEGROPONTES, and Lt. BUCHBINDER, took off by Rumanian plane for Istanbul. The purpose of this trip was never revealed.

IX. The SCHMITZ Couple - Contact of X-2 Chief

59. One of the most important contacts furnished by Smit. Mr. and Mrs. SCHMITZ, alias the "Schatzies" have lived in the United States for almost thirty years. Mr. Schmitz worked for a time as newspaperman on several New York papers. Sometime after World War I he became chief of one of the principal German propaganda offices - the German railways, his office being located on West 57th Street between 5th and 6th Avenues, New York City.
60. Their son, whose name is probably Franz, was born of Mrs. Schmitz' first marriage and went to the States as an infant. He is a graduate of Lafayette College, U.S.A. where he also took some R.O.T.C. training. At the present writing the son is a soldier in the German Army and was stationed in Vienna when last heard from in August 1944.

61. The Schmitz family was supposedly forced to leave the United States in 1941 by the Dickstein Congressional Committee.
62. Although the Schmitz profess only love and admiration for the United States, Source feels that they are actually 100% Germans at heart. The Chief of X-2 claimed at one time to have discovered some evidence that Mrs. Schmitz had aided the Allied cause during the last few years, but he never explained further.
63. Although in the custody of X-2, the couple is now at liberty. The Chief of X-2 sends Hahn every month to the Rumanian police in order to extend their permission to stay.
64. Mr. Schmitz was sent to Bucharest in 1941 as chief of the German Propaganda Office, holding this position till 23 August 1944. Since then he has been working for X-2. To date he has written many reports about the activities of different German government offices in Rumania and in Germany. Among other things, Schmitz interrogates for X-2 German internees and translates the reports submitted by other Germans working for the Branch.
65. About three months ago Schmitz was given the task of interrogating, supervising, and translating the reports of a young German girl whose first name is Irmgard. She was previously the private secretary of Mr. RICHTER, the Police Attache. After having been in X-2 custody for about three months, the Rumanian authorities requested our office (approximately one month ago) to return her to camp since the Russians were checking all lists of German internees. Irmgard's husband is a former ski champion of Germany, previously with the Luftwaffe in Rumania and at present interned. He is not in the same camp with his wife.

X. German Agents - in X-2 Custody

66. Major Bishop managed to establish contact through Mr. SCHMITZ and Mr. SMIT with Germans who had worked for the German government in Rumania. When he first met Mr. Schmitz through Smit he made an agreement to put him and his wife in the custody of X-2 and also to requisition the apartment which had been occupied by them and pay 2/3 of the rent. Schmitz was to advise the Chief as to which Germans were to be taken out of the internment camps through Rumanian Secret Service contacts for interrogation, and was also in charge of their interrogation. He was also given the work of translating the reports of these agents. It should be noted that some of these are Rumanian citizens and still at liberty.

- 66A. THIEL Brothers - Among others Schmitz interrogated the Thiel brothers. One of them had been connected with the SCHNICK organization. Of Volksdeutsch origin, both had had German intelligence connections.
67. IRMGARD - Among those removed temporarily from an internment camp was a Miss Irmgard who had been connected with the SD and had been Constan RICHTER's secretary. Before coming to Rumania she had worked for the SD in Paris and Lisbon. She was always delighted to talk of her stay in Paris and of the fact that their office was located in the former house of one of the Rothschild's on Avenue Woch (possibly Maurice de Rothschild's residence).
68. Miss Irmgard moved in with the Schmitz' at 6 Dumbrava Rosie, assisting Mr. Schmitz in his work.
69. In December 1944 the Chief decided to take also the ground floor apartment, which meant that he then occupied the whole house. At that time Sylvia Press, Marcella Bailey, Shelby Thames and Source moved in with him. Irmgard, however, did not fare very well with Mrs. Schmitz, which prompted the Chief to invite her down for meals. Gradually Irmgard became "one of them" as the Chief had once put it. She would take her meals at the X-2 mess even when guests came to the house where she was staying.
70. On New Year's Eve several Russian officers and enlisted men had been invited for dinner. The Chief decided that Irmgard might also be present. She appeared very attractive that evening and the Russians seemed to be very interested in her. One of them asked her at the meal where she had been born, and in a very thick German accent she replied "California." They asked her no further questions on her private life after that.

## XI. Unidentified Germans and Agents

### Hospital Incident

71. One day in October the Chief asked Source to fetch a young German lady from the French St. Vincent de Paul Hospital and escort her to the Schmitz'. Upon arriving there Source saw one of the secretaries of the French Legation in the hall and spoke to him. While Source stood speaking to the Frenchman, the young German lady approached with a German gentleman who apparently had been visiting her in the hospital. At this time one of the nurses announced to Source that two Germans were awaiting him. When the French Legation man saw the two Germans he turned to Source and said in a loud voice: "Hey 'Source', I hope you're taking them to an internment camp - and take them all there because that's where they should be."
72. It was extremely embarrassing.

Incident at Princess GHIKA's

73. Upon another occasion the Chief told Source that he had a very delicate task for him to perform. Source and the Chief were to take two Germans to the BUJOIU (?) home (Princess Ghika's maiden name is Bujoiu). Upon the arrival of the Americans the two Germans were taken very quietly to a room on the second floor, Source went to keep Princess Ghika's husband company who was a former legionnaire and a "very strange" character. The Chief meanwhile went up the stairs with the Germans whom he instructed to keep very quiet and remain in their room while they were in that building.
74. The next day Source received a desperate phone call from Princess Ghika, that one of the Germans had told her husband who they were (agents) and what work they were doing for the Chief, while the other had gone to the kitchen and commenced speaking Rumanian to the servants. The Princess was extremely worried because she had told her parents and everyone in the house that they were two American engineers who had just arrived in Rumania. Source rushed to the scene, and upon arriving, found that one of the Germans had left the city (later he learned that the purpose of his departure was to present himself at the Rumanian Department of Internal Affairs to vouch for another German, a friend of his who was about to be deported by the Russians).
75. Upon learning this Source told the Chief of X-2 that he should by all means remove the Germans from that house; to this he agreed. The Chief then asked Princess Ghika to keep them for several days more, till he could find an apartment for them. The Princess' mother, however, was horrified at this prospect since her husband had been an important political figure in Rumania before and during the Antonescu regime, and fearful that the Russians, learning of the presence of the two German agents, would also arrest her husband. The family, however, finally agreed to let the German agents remain in the house two more days.
76. The following day, the Germans revealed to the servants who they were. Besides, Mrs. Bujoiu and one of the maids found some intelligence and newspapers they had dropped in the living room. All this induced the Chief to take them from the house.
77. Note: Princess GHIKA, nee BUJOIU, is on very friendly terms with X-2 personnel. She travelled very freely in Europe during German occupation.
78. Summing up his observations Source said: "The whole organization was managed in a most unbusiness-like and most un-American fashion imaginable."